

**BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA**

**Docket No. 2008-328-C**

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In Re:

Application of Time Warner Cable  
Information Services (South Carolina) LLC,  
d/b/a Time Warner Cable to Amend its  
Certificate of Public Convenience and  
Necessity to Provide Telephone Services in the  
Service Area of PBT Telecom, Inc. and  
For Alternative Regulation

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**PUBLIC VERSION**

**TESTIMONY OF  
CHARLENE KEYS**

**ON BEHALF OF**

**TIME WARNER CABLE INFORMATION SERVICES (SOUTH CAROLINA), LLC**

1 Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS FOR THE  
2 RECORD.

3 A. My name is Charlene Keys and I am Vice President and General Manager of Time Warner  
4 Cable's Columbia and Hilton Head Markets. My business address is 3347 Platt Springs  
5 Road, West Columbia, South Carolina 29170. My telephone number is (803) 744-5497 and  
6 my email address is [Charlene.Keys@TWCable.com](mailto:Charlene.Keys@TWCable.com).

7 Q. WHAT ARE YOUR JOB RESPONSIBILITIES?

8 A. I oversee business operations, construction, technical operations, quality assurance and  
9 service delivery for Time Warner Cable's Voice, Video and Data lines of business.

10 Q. PLEASE GIVE A BRIEF DESCRIPTION OF YOUR BACKGROUND AND  
11 EXPERIENCE.

12 A. I joined Time Warner Cable in 2004 as Vice President and General Manager of Voice. I was  
13 responsible for leading the launch and management of the South Carolina division's  
14 residential voice service. I have also held senior management positions at KMC Telecom;  
15 MCI WorldCom, Inc.; Sprint Corporation and Civature Consulting. While serving as  
16 General Manager, Network Operations at Ameritech Corporation in Chicago, I was selected  
17 and successfully completed an executive exchange program with Deutsche Telecom in Bonn  
18 and Berlin, Germany. I recently graduated from the Betsy Magness Leadership Institute,  
19 Women in Cable Telecommunications' flagship executive development program. I am an  
20 Executive Board member of Midlands Technical College Foundation Board, and the  
21 Columbia Chamber of Commerce. I am a Board Member of the Columbia Urban League  
22 and the Carolinas Chapter of Women in Cable Telecommunications. I recently received the  
23 Lincoln C. Jenkins, Jr. Award which recognized me as a trailblazer in promoting equal

1 opportunity and social justice during the Columbia Urban League's 41<sup>st</sup> Annual Equal  
2 Opportunity Day Dinner. I have a Master's Degree in Business Administration from Mercer  
3 University in Atlanta and a Bachelor's Degree in Business from the University of the State  
4 of New York.

5 Q. ARE YOU FAMILIAR WITH THE APPLICATION TIME WARNER CABLE  
6 INFORMATION SERVICES (SOUTH CAROLINA), LLC SUBMITTED TO THIS  
7 COMMISSION?

8 A. Yes.

9 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

10 A. The purpose of my testimony is to present evidence concerning our South Carolina  
11 operations and our proposal to expand services to include PBT Telecom, Inc.'s ("PBT")  
12 service area.

13 Q. PLEASE DESCRIBE THE COMPANY'S SOUTH CAROLINA OPERATIONS.

14 A. We currently provide Digital Phone service in the service areas of Verizon, AT&T,  
15 Windstream, Hargray Telephone, Bluffton Telephone, and Horry Telephone Cooperative.  
16 We have approximately 1400 employees and 25 work locations in South Carolina.

17 Q. DESCRIBE THE FACILITIES USED TO PROVIDE VOICE SERVICES IN SOUTH  
18 CAROLINA.

19 A. Time Warner Cable owns and manages cable systems serving approximately 14.6 million  
20 customers in 33 states. We offer Digital Phone service over the same Time Warner Cable  
21 system facilities that are used to provide video and high-speed data services. We transmit  
22 signals using a laser-fed fiber optic cable from origination points known as "headends" and  
23 "hubs" to a group of distribution "nodes." Coaxial cable is used to deliver the signals from

1 the individual nodes to the homes and businesses they serve. Our Digital Phone customers  
2 use a voice enabled cable modem that connects to the cable in the customer's home or  
3 business. Our system allows the delivery of two-way video and broadband transmissions,  
4 which is essential to providing advanced video services, Road Runner high-speed data  
5 service and Digital Phone. Sprint Communications Corporation assists TWCIS in providing  
6 the Digital Phone service by routing voice traffic to and from destinations outside of our  
7 network using the public switched telephone network. Sprint also assists in delivering E911  
8 service, porting telephone numbers, and delivering long distance traffic.

9 Q. DOES TWICS USE THE PUBLIC INTERNET TO TRANSPORT CALLS?

10 A. No. Unlike Internet phone providers such as Vonage, we do not use the public Internet to  
11 transport calls. "Internet protocol" describes the technology being used which digitizes  
12 information. The voice enabled cable modem converts the Digital Phone customer's voice  
13 from his telephone into Internet protocol packets that are sent onto the Time Warner Cable  
14 network. If the person being called is also a Time Warner Cable Digital Phone customer in  
15 South Carolina, then the call would be transported entirely in Internet protocol format, and  
16 the voice signals would be received by the receiving party's voice enabled modem. If the  
17 person being called is not a Time Warner Cable Digital Phone customer in South Carolina,  
18 then the Internet protocol voice packets would be routed to a media gateway device that  
19 would convert the Internet protocol packets to traditional circuit switched voice signals and  
20 route the call to Sprint and, ultimately, to its final destination.

21 Q. PLEASE DISCUSS THE GROWTH OF THE DIGITAL PHONE MARKET.

22 A. As of September 30, 2008, we had 3.6 million Digital Phone customers nationwide. Our  
23 Digital Phone service is growing rapidly in South Carolina. \*\*\*\*BEGIN

1 CONFIDENTIAL\*\*\*\*

3 \*\*\*\*END CONFIDENTIAL\*\*\*\*

4 Q. HOW DOES TWCIS MARKET ITS SERVICES?

5 A. TWCIS markets its Digital Phone services using direct mail and email campaigns to our  
6 current customers. We also advertise using local television commercials, newspaper  
7 advertising, and radio commercials.

8 Q. DOES TWCIS TARGET A PARTICULAR MARKET?

9 A. Time Warner Cable traditionally focused on residential customers so initially our focus was  
10 on residential Digital Phone customers. In 2007 we launched a commercial Digital Phone  
11 service known as Business Class Phone. Business Class Phone service is geared to small and  
12 medium-sized businesses. We have been offering video and high-speed data to businesses  
13 for over ten years so this commercial Digital Phone service allows us to offer a bundle of  
14 video, high-speed data, and voice services.

15 Q. TELL US WHY IT IS IMPORTANT TO BE ABLE TO BUNDLE SERVICES.

16 A. In addition to selling our services separately, we focus on marketing differentiated packages  
17 of multiple services and features, or “bundles” for a single price. Increasingly, our customers  
18 subscribe to two or three of our services. As of the end of 2007, 48% of Time Warner  
19 Cable’s customers subscribed to two or more of our primary services. Those subscribing to a  
20 bundle receive a discount from the price of buying each service separately and have the  
21 convenience of a single monthly bill. The following table illustrates the growth in customers  
22 subscribing to bundled offerings over the last three years:

	December 31,		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
	(in thousands)		
TWC customers with 2 primary services (video, HSD, voice)	4,703	4,647	3,099
TWC customers with 3 primary services (video, HSD, voice)	2,363	1,523	760

Q. WHAT OTHER BENEFITS DOES BUNDLING PROVIDE TO CUSTOMERS?

A. We are also developing features that operate across two or more of our services or cross-platform features. For example, we are beginning to offer Caller ID on TV feature that displays an incoming call on the customer's television set at no extra charge. We are now working on other cross-platform features such as "PhotoShowTV" which gives digital video subscribers who subscribe to our Road Runner service the ability to create and share their personal photo shows and videos with other Time Warner Cable video subscribers. We are also developing remote DVR management which would allow customers who subscribe to our DVR service to use the Internet to program their DVRs, and a residential phone web portal which allows subscribers to use the Internet to modify Digital Phone features, make payments and listen to voicemail.

Q. DESCRIBE TWCIS MARKETING STRATEGY.

A. Our marketing primarily focuses on bundles of video, high-speed data, and voice services offered in differentiated but easy to understand packages. It is essential in today's marketplace to be able to bundle service offerings to compete against bundled service offerings from our competitors.

Q. DOES PBT OFFER BUNDLED SERVICE OFFERINGS?

A. Yes, according to the PBT website the company currently offers bundles of local, long distance, wireless, video services, high speed Internet and security services. According to the

1 PBT website they offer various residential bundles of their products for savings of \$10 to  
2 \$25 per month. See Exhibit CK-1.

3 Q. DOES TWICS CURRENTLY OFFER CABLE SERVICES IN THE PBT SERVICE  
4 AREA?

5 A. Yes. We are currently providing cable service to \*\*\*\*\*BEGIN CONFIDENTIAL \_\_\_\_\_ \*\*\*\*\*  
6 END CONFIDENTIAL homes in the PBT service territory. We are at a competitive  
7 disadvantage in those areas where we cannot offer to bundle voice services with our other  
8 service offerings.

9 Q. PLEASE TELL US ABOUT THE SERVICES TWCIS PROPOSES TO OFFER?

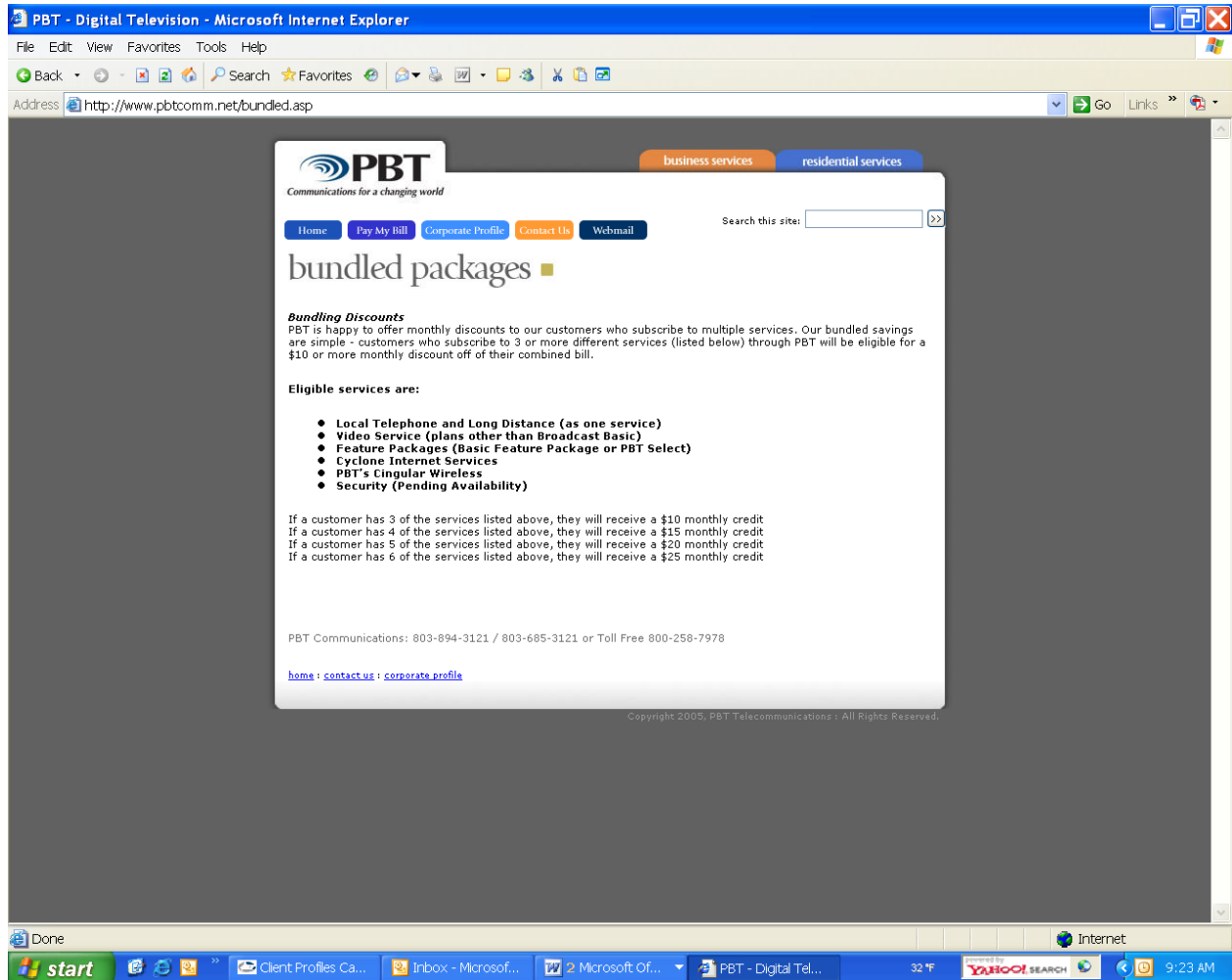
10 A. We would be offering the same facilities based Internet protocol based voice services and  
11 intrastate telecommunications services currently offered in the areas in which TWCIS is  
12 certificated in South Carolina. These services include Digital Phone interconnected VoIP  
13 services to retail residential customers, Business Class Phone interconnected VoIP services  
14 to retail business customers, and high capacity private line, point to point  
15 transmission/telecommunications services to wholesale and retail business customers. We  
16 would offer these services pursuant to the South Carolina Tariff No. 1 currently on file at the  
17 Commission.

18 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

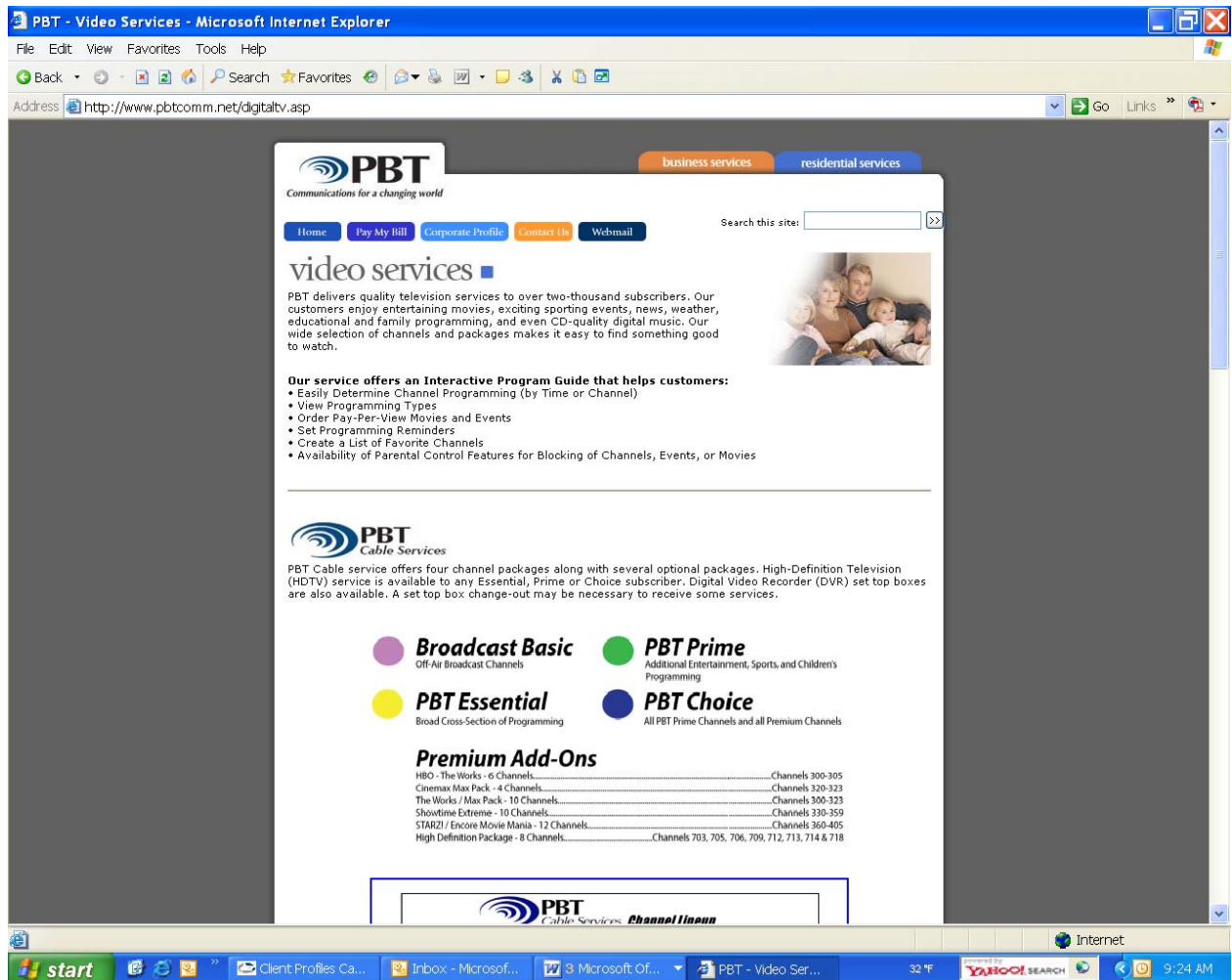
19 A. Yes it does.

Charlene Keys Testimony  
TWCIS – PBT Telecom , Inc..  
Docket No. 2008-328-C

Exhibit CK-1







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Address http://www.pbtcomm.net/digital.asp

Go Links

**PBT Cable Services Channel Lineup**

2 Community Channel	154 K&LTV	252 Headline News	301 HD WFLX 10 (NBC)
3 HD WFLX 10 (NBC)	155 iTV	253 iTV	302 HD WFLX 10 (NBC)
4 TV Guide	156 Independent Film	254 CNBC	303 HD WFLX 10 (NBC)
5 WFLX-TV 25 (ABC)	157 Turner Classic Movies	255 MSNBC	304 HD WFLX 10 (NBC)
6 WFLX-TV 37 (FOX)	158 AMC	256 Bloomberg	305 ESPN HD
7 TBS	159 HallmarkMovieChannel	257 The Weather Channel	306 ESPN HD
8 WFLX-TV 13 (UPN)	160 FOX Sports Channel	258 WIS Weather	307 Universal HD
9 WFLX-TV 19 (CBS)	161 Comedy Central	259 WFLX 50	308 iTV
10 WFLX-TV 64 (UPN/WB)	162 Spike	260 WFLX 50	309 HD Net Movies
11 WFLX-TV 35 (PBS)	163 G4	261 WFLX 50	310 Food Network HD
12 ESPN 2	164 SportsSouth	262 QVC	311 ESPN HD
13 ESPN	165 FOX Sports Net	263 HDN	312 A&E HD
14 CNN	166 ESPN News	300 HBO	313 Discovery HD
15 FOX News	167 ESPN U	301 HBO 2 Plus	314 Discovery Theater HD
16 Lifetime	168 ESPN Classic	302 HBO 3 Signature	315 National Geographic HD
17 Nickelodeon	169 FOX Sports Channel	303 HBO Family	316 Science Channel HD
18 Discovery	170 Golf	304 HBO Comedy	317 A&E
19 CNN	171 Yarns	305 HBO Zone	318 Beautiful Instrumentals
20 ABC Family Channel	172 Hallmark Channel	306 Cinemax	319 Jazz Vocal Blends
21 Hallmark Channel	173 Sportsman Channel	307 HomeMax	320 Hot Hits
26 The Weather Channel	174 BRAVEVISION (PTV)	308 Action Max	321 Modern Country
36 Cartoon Network	175 MTV	309 Thriller Max	322 Alternative
101 C-SPAN	176 MTV2	310 Showtime	323 Adult Contemporary
102 C-SPAN 2	177 VH1	311 Showtime Showcase	324 Lite Classical
120 Inspirational Life	178 VH1 Classic	312 Showtime Family	325 Rock 'n' Roll Oldies
121 Trinity Broadcasting	179 CMT Pure Country	313 Showtime Extreme	326 Classic Rock
122 USA	180 HGTV	314 Showtime Next	327 Urban Beat
124 TNT	181 HGTV	315 Showtime Women	328 Coffeehouse Rocks
125 FX	182 Disney Channel	316 The Movie Channel	329 Dance
126 TV Land	183 NickToons	317 TNC XTRA	330 Retro Dance
127 Hallmark Channel	184 Soap Net	318 Starz	331 Album Rock
128 WB	185 RFD TV	319 Starz Edge	332 80's Hits
129 iTV	186 Discovery Kids	320 Starz Cinema	333 70's Hits
131 Soap Net	187 Animal Planet	321 Starz Kids & Family	334 Classic R&B
132 RFD TV	188 National Geographic	322 Starz Comedy	335 Hard Rock
133 Food Network	189 Discovery Health	323 Starz HD	336 Soft Hits
134 HGTV	190 PBS	324 Encore Miami	337 Golden Oldies
135 HGTV	191 Science Channel	325 FLX East	338 Traditional Country
136 E! Entertainment	192 Planet Green	400 Encore	339 Groove Lounge
137 iTV	193 Military Channel	401 Encore Love Stories	340 Smooth Jazz
138 iTV	194 The Learning Channel	402 Encore Mysteries	341 Big Band/Swing
140 A&E	195 BBC America	403 Encore Westerns	342 New Age
141 Biography	196 Game Show Network	404 Encore Drama	343 Holiday/Happenings
142 History Channel	197 iTV	405 Encore Action	344 Great Standards
143 History International	240 IN DEMAND 1	541 IN DEMAND 1	345 Contemporary
144 Fine Living	241 IN DEMAND 2	542 IN DEMAND 2	346 Christian
150 Sci-Fi	242 IN DEMAND 3	543 IN DEMAND 3	347 Reggae
152 Travel	243 IN DEMAND 4	544 IN DEMAND 4	348 Children's Radio
153 BET	251 CNN	701 South Carolina Channel	330 Children's Radio

**Channel Packages**

**Broadcast Basic [\$11.45]** - Broadcast Basic package includes all channels listed in **yellow**.

**PBT Essential [\$41.95]** - The PBT Essential Cable package includes all channels from broadcast basic along with those channels highlighted in **yellow**.

**PBT Prime [\$47.95]** - The PBT Prime package includes all channels from PBT Essential, along with those channels highlighted in **green**.

**PBT Choice [\$81.95]** - The PBT Choice package includes all channels from PBT Prime, along with those channels highlighted in **blue**.

**Premium Add-ons**

HBO - The Works ..... (6 channel) ..... \$10.99

Cinemax Max Pack ..... (4 channel) ..... 10.99

The Works/Max Pack ..... (10 channel) ..... 20.00

Showtime Extreme ..... (10 channel) ..... 10.99

STARZ/Encore Movie Mania ..... (13 channel) ..... 9.95

High Definition Package ..... (15 channel) ..... 10.99

(HD Channels listed in red above)

\*Channel not available in all areas.

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Address <http://www.pbtcomm.net/digitaltv.asp>

**Cyclone TV**

Cyclone TV service offers three channel packages and several optional channel packages. Cyclone TV customers can also have their service installed to show on-screen caller ID information when the telephone rings. Incoming calls are stored in a log which can be quickly reviewed using your remote. PBT now offers HDTV services to Cyclone TV customers in select areas. Call for details.

**PBT Essential**  
The PBT Essential package includes all channels listed in white.

**PBT Prime**  
The PBT Prime Package includes all channels from Digital Basic, along with those channels highlighted above in red.

**PBT Choice**  
The PBT Choice Package includes all channels from Digital Basic and Digital Plus, along with those channels highlighted above in blue. PBT Choice includes all channels.

**Cyclone TV Channel Lineup**

1 Cyclone VIP Info	171 ESPN	270 QVC	800 PPV Preview
2 Community Channel	172 ESPN2	271 HSN	801 INDEMAND 1
3 WBTV 10 (ABC)	173 ESPN News	288 HBO	802 INDEMAND 2
4 WBHQ-TV 64 (UPN/WB)	174 ESPN U	301 HBO 2 Plus	803 INDEMAND 3
5 WOLD-TV 25 (ABC)	176 ESPN Classic	302 HBO 3 Signature	804 INDEMAND 4
6 WACH-TV 57 (FOX)	177 FOX Soccer Channel	303 HBO Family	805 INDEMAND 5
8 C-SPAN	178 Speed	304 HBO Comedy	806 INDEMAND 6
9 WLTV-TV 19 (CBS)	179 Golf	305 HBO Zone	807 INDEMAND 7
10 C-SPAN 2	180	308 Cinemax	850 Sports PPV 1
11 WLTK-TV 35 (PBS)	181 Outdoor Channel	321 HomeBox	851 Sports PPV 2
13 WZLW-TV 13 (UPN)	183 BlueVision (P/V)	322 Action Man	852 Sports PPV 3
120 Inspirational Life	184	323 Thriller Man	853 Sports PPV 4
121 Trinity Broadcasting	191 MTV	330 Showtime	854 Sports PPV 5
122 USA	192 MTV2	331 Showtime Two	855 ESPN HDW
123 TBS	193 VH1	332 Showtime Showcase	901 DVD Licensing Room
124 TNT	195 CMT Pure Country	333 Showtime Family	902 Jazz Vocal Blends
125 Turner South	197 CMT	334 Showtime Extreme	903 Hot Hits
126 WE	198	335 Showtime Next	904 Modern Country
127 FX	210	336 Showtime Women	905 Alternative
128 TV Land	211 Nickel	350 The Movie Channel	906 Adult Contemporary
129 Lifetime	212 Nick	351 TMC XTRA	907 Lite Classical
130 Lifetime Movies	213 Disney	360 STARZ	908 Rock 'n' Roll Oldies
131 Soap Net	213 Toon Disney	361 Starz Edge	909 Classic Rock
132 RFD-TV	214 Cartoon Network	362 STARZ Channel	910 Urban Beat
133 Food	215	363 Starz Kids & Family	911 Coffeehouse Rocks
138 HGTV	216	364 Starz Comedy	912 Dance
136 E!	217	365	913 Retro Dance
139	218 Discovery Kids	391 FLIX	914 Album Rock
140	219 ABC Family	392	915 80's Hits
141 Biography	220 ION	393	916 70's Hits
142 History Channel	221 Discovery	394	917 Classic R&B
143	222 Animal Planet	395	918 Hard Rock
144	223 Hallmark	396	919 Soft Hits
145	224 National Geographic	397	920 Golden Oldies
146	225 Discovery Health	398	921 Traditional Country
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